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CENTRAL INTELLIGENCE AGENCY
Office of Current Intelligence
2 January 1963

CURRENT INTELLIGENCE MEMORANDUM

SUBJECT: The Situation in Cuba

1.

On 31 December a crowd of the would-be exiles was broken up by the Cuban police and then set upon by pro-Castro strong-arm types.

2. This year's sugar harvest has already begun and regime leaders have publicly warned that production this year will be little if any better than last year when the crop of about 4.8 million tons was abnormally low. Cuba will thus have less to export this year than last (when it had sugar carried over from the previous year) and any increase in trade with the bloc--which Cuban leaders predict--will be at the expense of further bloc commodity credits.

3. Castro propagandists are playing up the "indemnification" received from the US for the returned prisoners, but appear to have made little headway in promoting this interpretation outside of Cuba.

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5. The military parade began in Havana at 1007 this morning, only seven minutes behind schedule. It is the central part of today observance of the regime's fourth anniversary. At its conclusion, an hour and a half later, Castro began speaking--his first public speech since 1 November.

6. Delegations from the Sino-Soviet bloc and from many Latin American and other Western countries are in Havana for the affair. The Soviet delegation includes Cosmonaut Popovich. Khrushchev's congratulatory message to Cuban leaders on the occasion reiterated Soviet support for Castro's "Five Points," warned that the US must be made to observe its "pledge" not to attack Cuba, and stated that Cuba "can always depend on the amicable support and aid" of the Soviet Union.

7. Preparations have been underway for some months on the formal establishment of the Cuban political machine, to be called the United Party of the Socialist Revolution. To be modeled after bloc Communist parties, it is to replace the provisional Integrated Revolutionary Organizations (ORI), probably at a formal "First Congress" sometime early this year.

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